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MEMORANDUM

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TO: Docket Control
Arizona Corporation Commission

AZ CORP COMMISSION
DOCUMENT CONTROL

FROM: Ernest G. Johnson
Director
Utilities Division

Date: November 8, 2002

RE: ARIZONA-AMERICAN WATER COMPANY APPLICATION FOR AN
EXTENSION OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY
TO PROVIDE WATER AND WASTEWATER SERVICE, AND TO
TRANSFER A PORTION OF THE SUN CITY WEST SERVICE AREA TO
THE AGUA FRIA SERVICE AREA IN MARICOPA COUNTY, ARIZONA
(DOCKET NO. WS-01303A-02-0633)

Attached is the Staff Report for the above referenced application. Staff is recommending approval with conditions.

EGJ:JEF:nms

Originator: Jim Fisher

Attachment: Original and Fifteen Copies

Arizona Corporation Commission

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Service List for: Arizona-American Water Company
Docket No. WS-01303A-02-0633

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Mr. Jay Shapiro
3003 North Central Avenue
Phoenix, Arizona 85012

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STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

ARIZONA-AMERICAN WATER COMPANY

DOCKET NO. WS-01303A-02-0633

APPLICATION FOR AN EXTENSION OF
CERTIFICATE OF CONVENIENCE
AND NECESSITY TO PROVIDE
WATER AND WASTEWATER SERVICE

AND TO

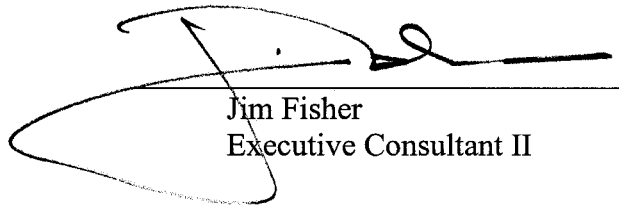
TRANSFER A PORTION OF THE
SUN CITY WEST SERVICE AREA
TO THE AGUA FRIA SERVICE AREA
IN MARICOPA COUNTY, ARIZONA

NOVEMBER 2002

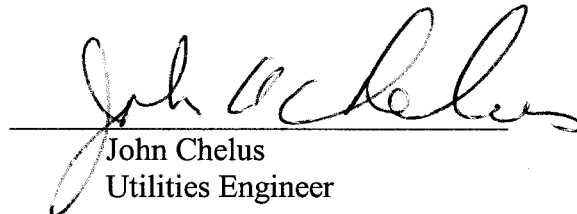
STAFF ACKNOWLEDGEMENT

The Staff Report for Arizona-American Water Company, (Docket No. WS-01303A-02-0633) was the responsibility of the Staff members listed below. Jim Fisher was responsible for the review and analysis of the Company's application. John Chelus was responsible for the engineering and technical analysis. Janie Woller was responsible for reviewing customer complaints filed with the Commission.

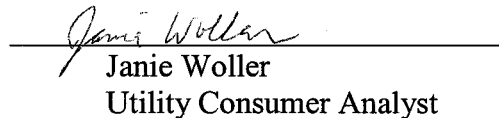
Contributing Staff:



Jim Fisher
Executive Consultant II



John Chelus
Utilities Engineer



Janie Woller
Utility Consumer Analyst

EXECUTIVE SUMMARY
ARIZONA-AMERICAN WATER COMPANY
DOCKET NO. WS-01303A-02-0633

Arizona-American Water Company, ("AAWC" or "Company") is an Arizona corporation engaged in providing water utility service to customers within portions of Maricopa, Mohave, and Santa Cruz Counties, Arizona. By this application, AAWC is seeking to extend its current Agua Fria District Certificate of Convenience and Necessity, ("CC&N") to include adjacent properties.

Staff recommends approval of the application with conditions:

1. That the Commission extends the CC&N to those properties which have demonstrated a need for service.
2. That the Commission requires the AAWC to charge its existing rates and charges in the proposed extension area.
3. That the Cool Well Parcel be transferred from the Sun City West District to the Agua Fria District.
4. That the Cool Well Parcel authorized rates be adjusted in the next rate case.
5. That the request for use of AAWC's Non Potable Water Tariff be approved.
6. That the Commission's Decision granting this Extension to a CC&N and to the AAWC be considered null and void without further order from the Commission should AAWC, fail to meet the following conditions within the time specified:
 - a. That the Commission require the AAWC to file with the Director of the Utilities Division, the Arizona Department of Environmental Quality approvals for construction of all water facilities, with the appropriate main extension agreement, or within 365 days from the effective date of the Commission's Decision.
 - b. That the Commission require the AAWC to file with the Director of the Utilities Division, a copy of the Arizona Department Water Resources Certificate of Assured Water Supply for the proposed developments within 365 days from the effective date of the Commission's Decision.
 - c. That the Commission require the AAWC to file with the Director of the Utilities Division, the allocable Ak-Chin – Del Webb Water Lease Agreement, costs to be classified as a contribution in aid of construction within 365 days of the decision in this matter.

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Introduction

On August 20, 2002, Arizona-American Water Company, ("AAWC" or "Company"), an Arizona corporation, filed an application with the Arizona Corporation Commission ("ACC") requesting approval for an extension of its existing Certificate of Convenience and Necessity, ("CC&N") in Maricopa County, Arizona. On September 20, 2002, Staff notified AAWC its application was sufficient according to the Arizona Administrative Code.

Background

AAWC is an Arizona corporation engaged in providing water and wastewater utility service to customers within portions of Maricopa, Mohave, and Santa Cruz Counties, Arizona. The Company is a wholly-owned subsidiary of AAWC which provides utility service to approximately 15 million customers in 27 states. AAWC obtained the assets and CC&N of Citizens Communications in Decision No. 63584 and serves an approximate 115,000 customers in Arizona.

By this application, AAWC is seeking to extend its current Agua Fria District water and wastewater CC&N to include substantial undeveloped properties adjacent to and north of its current service territory. AAWC is also seeking Commission authorization to transfer a small portion of the AAWC Sun City West Water District to the AAWC Agua Fria Water District.

The Proposed Extension Area

AAWC is seeking to certificate approximately 12 sections located north of Sun City West, east of the City of Surprise and west of the City of Peoria. The proposed CC&N is bounded on the north by the Jomax Road alignment, on the west by the Litchfield Road, 135th Avenue, and El Mirage Road alignments and on the south and east by the Agua Fria River.

The proposed extension territory will add approximately 6,675 acres or 10.34 square miles to its existing certificated area. The new area will include all of Sections 1, 2, 11, 12, 13, 14 and parts of Sections 10, 15, 24 and 25 of Township 4 North, Range 1 West, as well as parts of Sections 6, 7, and 18 of Township 4 North, Range 1 East.

The proposed extension area is under substantial development pressure from area developers. The Maricopa Department of Transportation, ("MDOT"), has accelerated the construction of nearby State Route 303 Freeway between Grand Avenue and Lake Pleasant Road. MDOT began construction on a portion of the Freeway July 2002 and has accelerated the construction schedule by requiring construction seven days a week, 12 hours per day. This acceleration was done in part with developer financial contributions. The accelerated development could also be considered evidence of the pace of growth in that portion of Maricopa County.

Developers in the area include Woodside Homes, Del Webb Home Construction, Inc., Grosvenor Holdings, L.L.C. and William Lyon Homes. According to AAWC, these developers have consolidated properties under title and are in the plat approval process. Certifying AAWC water and wastewater services for the proposed area will allow the developers to finalize their respective master plans for approval of the developments and allow AAWC to plan utility expansion and service for a large diversely developed area.

Wastewater Capacity

AAWC has provided Staff with substantial documentation supporting the Application. According to AAWC, the Company will use the existing Sun City West Wastewater Treatment Facility to provide wastewater treatment to the new area. The current plant has a capacity of 3.14 millions of gallons per day ("MGD"). That existing plant will be expanded to 5.0 MGD in the near future and eventually expanded to handle eight or nine MGD for total build out. The Company will continue to use conventional activated sludge treatment. Sludge dewatering belt presses will be used for sludge treatment.

The Company provided a document entitled, "Agua Fria Sewer Master Plan" prepared by Coe & Van Loo Consultants, Inc., which provides a detailed analysis of growth patterns, wastewater flow characteristics and volumes, gravity sewer locations and wastewater treatment facilities placement. At ultimate build out, the service area will generate 3.94 MGD average daily flow, 4.9 MGD average daily flow in the maximum month and 10.8 MGD peak daily flow.

The proposed extension area will eventually require use of three lift stations, related force mains, and in excess of 95,000 lineal feet of collection piping and manholes. Staff has concluded that the Company has the resources and technical expertise to develop the necessary wastewater collection system and treatment facilities to serve the new area.

Requests for Service

Del Webb Corporation, a master plan builder, has requested AAWC to extend service to Del Webb's planned 718 acre Pleasant Valley Country Club. Del Webb has entered into a main extension agreement with AAWC to finance the facilities.

Arizona State Land Department has also made a formal request for service. On May 23, 2002, James Adams, Deputy State Land Commissioner of the Arizona State Land Department wrote to AAWC to request inclusion of 11 sections of state land into the proposed AAWC CC&N. The State has requested AAWC to include Sections 01, 02, 11, 12, 13, 14, 24, 25 and 36 in Township 4 North, Range 1 West, B and Sections 06, 07 and 18 in Township 4 North, Range 1 East within the CC&N.

AAWC also represents that Grosvenor Holdings, L.L.C., Woodside Homes, and William Lyon Homes have requested service and that the parties are currently in negotiation on terms to finance the facilities for the developments. AAWC asserts that agreements evidencing the

demand for service will be filed in early November 2002. At the time of the drafting of the Staff Report on this matter AAWC has not provided any evidence to determine there is a present need for utility services at the properties to be developed by Grosvenor Holdings, L.L.C., Woodside Homes, and William Lyon Homes.

Therefore, Staff recommends that AAWC's CC&N extension request be granted for those areas in which evidence of the need for service has been demonstrated. In the event AAWC is able to provide evidence of a need for service by Grosvenor Holdings, L.L.C., Woodside Homes, and William Lyon Homes, Staff reserves the right to revise the Staff Report to reflect such additional evidence.

AAWC has also informed Staff that Scott Homes, owner of Rancho Cabrillo Water and Sewer Companies has requested AAWC to provide water and wastewater service to its certificated area, approximately 685 acres. AAWC has not finalized any agreements on the proposal, but it expects to file a separate application for the transfer of the Rancho Cabrillo Water and Sewer Companies CC&N with the Commission in the near future.

Line Extension Agreement

At the time of Application AAWC had entered into only one main extension agreement to finance the required facilities. Line extension agreements are a standard industry practice. Arizona Administrative Code ("A.A.C.") R14-2-406 established the minimal acceptable criteria for line extension agreements between water utilities and private parties. The rule provides in part: "in the event that additional facilities are required to provide water supply exclusively for the new service such additional facilities may be included in refundable advances (See A.A.C. R14-2-406 B. 1)

On August 5, 2002, Del Webb Home Construction, Inc. ("Del Webb") and AAWC entered into a main extension agreement to finance the on-site utility facilities to serve the property. According to Section 4.1 of the Agreement, Del Webb will construct all phases of the On-Site Subdivision Facilities, the Non-Potable Facilities and all phases of the Oversized On-Site Subdivision Facilities. Del Webb will also construct the Phase I Regional Water Facilities and the Phase I Regional Wastewater Collection Facilities. In addition, Del Webb is required to convey On-Site Water Wells for Non-Potable Water requirements.

According to Exhibit D of the Agreement, AAWC estimates that Del Webb's pro rata share of Regional Wastewater Collection Facilities to be \$912,040. AAWC estimates that Del Webb's pro rata share of the Regional Water Facilities to be \$683,882. The entire wastewater collection facilities project is estimated at a cost of \$3,337,633, the water facilities at \$3,730,500. AAWC has allocated pro-rata shares of the facilities to eight other developers. The estimated Developer Advances are further defined in Exhibit C to the Agreement.

AAWC and Del Webb have agreed that all real property to be conveyed in association with the transferred facilities shall be valued at \$26,500 per acre inside of the project, and Del

Webb's actual cost outside the project. The parties also agree to a valuation of \$250,000 for each On-Site Well.

Prior to final acceptance of constructed facilities, Del Webb is required to provide AAWC a cash payment equal to the current meter installation tariff for each meter to be set in each Phase of On-Site Facilities to be transferred.

Refunds to Del Webb

According to Section 4.6 of the Agreement, within 30 days of the Del Webb's invoice, AAWC will reimburse Del Webb for the amount that the Oversized On-Site Subdivision Facilities exceed the cost of the On-Site Subdivision Facilities that would otherwise have been constructed.

The Agreement also refers to "Reimbursable Costs" which for all intents and purposes are a form of refund for advanced facilities. Reimbursable Costs of each component of the Contributed Facilities are to be pro rated based on the estimated wastewater flow or water demand for the associated facility. The Del Webb costs in excess of its pro rata share shall also be reimbursed. Del Webb is to submit monthly progress reports to AAWC regarding reimbursable costs.

In addition to the above, Exhibit C of the Agreement provides that AAWC will provide water refunds of \$800 per Equivalent Residential Unit ("ERU") taking permanent Potable Water Service, calculated every six months. In addition, AAWC shall provide Del Webb refunds equal to 10 percent of the Non Potable Water Services for each 12 month period for a 10 year period.

AAWC will also provide Waste Water Refunds in the amount of \$200 per ERU, taking permanent Waste Water Service, calculated every six months. In addition, AAWC shall provide Del Webb refunds equal to 10 percent of the revenue derived from the provision of Wastewater Services for each 12 month period.

Contributions by Del Webb

The Del Webb costs not reimbursed by AAWC and the costs associated with the Ak-Chin Water Lease will be considered contribution in aid of construction. According to Exhibit B of the Ak-Chin - Del Webb Water Lease Agreement, total water lease charges are expected to be \$12,270,600. Of this amount Staff is unclear as to what portion of the Water Lease is assigned to the Pleasant Valley Country Club Project. As this is to be classified as a contribution in aid of construction, AAWC should be required to clarify the amount of the Ak-Chin Water Lease Agreement assigned to the Pleasant Valley Country Club Project within 365 days of the decision in this matter.

AAWC's Project Facilities Fee

According to Section 4.10 of the AAWC contract Del Webb is required to pay \$1,150 per ERU for Potable Water Services and \$450 per ERU for Wastewater Services for a Project Facilities Fee, which for all intents and purposes is a contractual, not tariff hook-up fee. Del Webb is required to provide AAWC one payment of the Project Facilities Fee for all ERU's in a phase, or unit of a subdivision. AAWC will use the Project Facilities Fee solely to fund construction of all phases of the Regional Water and Wastewater Facilities.

The developer is required to construct the facilities in strict conformance with the approved plans and guidelines of applicable public agencies, including the Arizona Department of Environmental Quality and the ACC.

Water Capacity

In support of the Application AAWC provided a document entitled, "Agua Fria Water Master Plan" prepared by Coe & Van Loo Consultants, Inc., which provides a detailed analysis of growth patterns, water demand, storage and pumping requirements, source supply options, and cost estimates. The master plan divided the study area into three pressure zones. Within these zones, the AAWC is predicting an ultimate development in the study area of 16,521 dwelling units and an average daily demand of 7.685 million gallons per day ("MGD") with a peak day demand of 13.833 MGD.

According to the supporting documentation, water will be supplied from wells and from connections with the City of Peoria. AAWC is anticipating developing five to thirteen wells, each with a capacity of 1,000 gallons per minute ("gpm"). The number of wells will vary depending on whether the City of Peoria will provide the water to make up the difference between average and peak day demand. The ultimate storage requirement will be 6.61 million gallons.

According to Section 6.6 of the Del Webb Agreement, AAWC has not been designated as having an assured water supply for the extension area. Del Webb is required to obtain Certificates of Assured Water Supply in order to subdivide and develop the property. On June 27, 2001, Del Webb and the Ak-Chin Indian Community entered into an Option and Lease Agreement to provide Del Webb with the option to purchase 6,000 to 10,000 acre-feet of surface water per annum, for 100 years. According to the Agreement, Del Webb provided the Ak-Chin Indian Community \$300,000 for the option to lease the right to delivery of the required water. Del Webb is also required to pay Water Lease Charges and Water Use Charges. The Water Lease Charge is a one time charge based on \$1,203 per acre foot. The Water Use Charge escalates over the term of the lease. The Water Use Charge is at \$53 per acre foot of water at the beginning of the lease. Exhibit B of the Agreement indicates Total Water Lease Charges of \$12,270,600.

Non Potable Water Tariff

AAWC is requesting Commission authorization to use its existing a Non Potable water tariff within the proposed extension area. A Non Potable water tariff is used to provide turf irrigation services. The Commission has previously authorized a Non Potable water tariff to AAWC for the Whitestone Development.

In addition to the Ak-Chin water supply arrangement, Del Webb has also entered into a Well Share agreement with the Bodine Family Trust to provide non-potable water for turf purposes. On February 25, 2002, Del Webb and Ralph and Linda Bodine, entered into a Well Share Agreement which allows Del Webb to use two water wells as either recovery wells or irrigation wells. In addition Del Webb is allowed to assign its interest in the Agreement to a third party.

Staff has concluded that the Company has the resources and technical expertise to develop the necessary water supply to serve the new area a non potable water service. Staff recommends the Commission approve the Non Potable water tariff at the existing rate.

Arizona Department of Water Resources ("ADWR") Compliance

AAWC Agua Fria District is within the Phoenix Active Management Area ("AMA"), and consequently is subject to reporting and conservation rules ("GPCD") requirements. The Phoenix AMA reported that AAWC Agua Fria District is in total compliance with the ADWR reporting and conservation rules. It is also recommended that AAWC shall file with the Commission a copy of the developers Certificate of Assured Water Supply, where applicable or when required by statute.

Arizona Department of Environmental Quality ("ADEQ") Compliance

The AAWC Agua Fria District currently has two ADEQ public water systems. The number of systems has been reduced to two systems due to recent interconnections and consolidation of the numerous small systems. ADEQ regulates the water systems under ADEQ Public Water System ("PWS") I.D. # 04-07-695 (Agua Fria) and #04-07-151 (Waddell). Based on data submitted by the Company, ADEQ has determined that these systems are currently delivering water that meets water quality standards required by A.A.C., Title 18, and Chapter 4.

ADEQ Compliance Wastewater

ADEQ reported that the wastewater treatment facility is in total compliance with their rules for operation, reporting, and discharge limits.

Transfer Parcel Proposal

AAWC is requesting the Commission to authorize the company to transfer a portion of its Sun City West District ("SCWD") for water service to the Agua Fria District ("AFD"). The requested Transfer Parcel is an isolated stand alone system serving 20 customers from a single well and storage tank system.

AAWC proposes to interconnect the system to the proposed plant in the extension area. The interconnection would occur for operational redundancy and system reliability, as the current stand alone plant would be interconnected with the AFD. AAWC proposes the Commission authorize the company to alter the effective rates for the service connection once a new customer relocates to the proposed Transfer Parcel. AAWC proposes to "grandfather" existing customers and that once a customer leaves the system and that meter location is subsequently used by a new customer, that the new customer be charged the rates for the AFD.

Staff believes that customers should receive comparable service wherever they are connected to a public service company or located in its service area. Staff considers the request to transfer the Cool Well system from the SCWD to the AFD reasonable and that the system will ultimately benefit from increased reliability and removal of redundant equipment. However, a customer should not be required to accept additional charges because the public service company has ensured its service is reliable. Staff recommends that the Commission authorize the Cool Well system to be transferred to the AFD. Staff recommends that the Commission deny the AAWC request to revise the rates of existing customers outside of a rate case and require AAWC to implement any rate changes in the context of a rate case.

The following table lists the Cool Well plant to be transferred.

Wells

Well No. 1	
Well meter	4 inch Rockwell
Casing Size	16 inch
Casing Depth	850 ft.
Pump Type	Submersible
Pump Size	50 hp
Pump Yield	300 gpm
Date Drilled	1972

Storage, Pumping

	Capacity	Year Built
Pressure tank	2,000 gal	
Storage tank	10,000 gallon 12 ft H x 12 ft dia.	1994
Booster pumps	1.5 hp, 3 hp, 5 hp	

Distribution Mains

Diameter	Material	Length
6 inch	PVC	8,000 ft
6 inch	ACP	950 ft
4 inch	PVC	2,100 ft
4 inch	ACP	250 ft

Meters

Size	Quantity
5/8 x 3/4 inch	20

The following table lists the cost of the plant in service by account number that will be transferred.

Plant in Service Summary

Account No.	Name	Account Balance
301	Organization	\$12,176.28
310	Land & Land Rights	2,265.78
311	Structures and Improvements	566.45
314	Wells and Springs	18,126.26
325	Electric Pumping Equipment	12,461.80
342	Distribution Reservoirs and Storage	11,328.91
343	Transmission and Distribution	38,291.72
345	Services	1,586.05
346	Meters	1,472.75
TOTAL	Gross Plant in Service	\$98,276.00

Estimated Cost of Facilities

Exhibits B and C of AAWC's application contain copies of the main extension agreements for the on-site water distribution facilities. The improvements seem appropriate and the estimated costs are within acceptable ranges. Refunds, plant in service values, and contributions (un-refunded advances) shall be based upon actual costs, invoices, paid bills, or other statements of expenses, as provided in Paragraph III.9 and Paragraph IV.1 of the main extension contracts.

ACC Compliance

A check with the Utilities Division compliance unit showed no outstanding compliance issues.

Proposed Plant for Requested Area

Staff's recommendation for approval of this CC&N extension application and its submitted plant facilities does not imply a recommendation for any particular future treatment for AAWC's rate base. No "used and useful" determination of the proposed plant facilities was made, and no conclusions should be inferred for ratemaking or rate base purposes.

Proposed Rates

AAWC is proposing to extend service to the property at its tariffed rates.

Recommendations

Water:

Staff recommends that the Commission grant the Arizona-American Water Company application for an Extension to its Certificate of Convenience and Necessity to provide water service, subject to compliance with the following conditions:

That the Commission authorizes Arizona-American Water Company application for an Extension to its Certificate of Convenience and Necessity consistent with those properties that have demonstrated a need for service, the Del Web Pleasant Valley Country Club and the State Land Department parcels.

That the Commission require the Arizona-American Water Company to charge its existing rates and charges for water service in the proposed extension area.

That the Commission approves Arizona-American Water Company's request to apply its existing Non Potable Water Tariff for water service in the proposed extension area.

That the Commission's Decision granting this Extension to a Certificate of Convenience and Necessity to the Arizona-American Water Company be considered null and void without further order from the Commission should Arizona-American Water Company, fail to meet any of the following conditions within the time specified:

- a. That the Commission requires the Arizona-American Water Company to file with the Director of the Utilities Division, the Arizona Department of Environmental Quality approvals for construction of all water facilities, with the appropriate main extension agreement, or within 365 days from the effective date of the Commission's Decision, which ever is sooner.
- b. That the Commission require the Arizona-American Water Company to file with the Director of the Utilities Division, a copy of the Arizona Department Water Resources

Certificate of Assured Water Supply for the proposed developments within 365 days from the effective date of the Commission's Decision.

- c. That the Commission require the AAWC to file with the Director of the Utilities Division, the allocable Ak-Chin – Del Webb Water Lease Agreement, costs to be classified as a contribution in aid of construction within 365 days of the decision in this matter.

Cool Well:

Staff further recommends that the Commission approve Arizona-American Water Company's application to transfer the Cool Well Service parcel from the Sun City West District to the Agua Fria District.

Staff further recommends that the Commission deny AAWC request to alter the rates of the Cool Well Service parcel outside of a rate case.

Wastewater:

Staff further recommends that the Commission grant the AAWC application for an Extension to its Certificate of Convenience and Necessity to provide wastewater service, subject to compliance with the following conditions:


That the Commission authorizes AAWC application for an Extension to its Certificate of Convenience and Necessity consistent with those properties that have demonstrated a need for wastewater service, the Del Webb Pleasant Valley Country Club and the State Land Department parcels.


That the Commission requires the AAWC to charge its existing wastewater rates and charges in the proposed extension area.

Staff further recommends that the Commission's Decision granting this Extension to a CC&N for wastewater service to the AAWC be considered null and void without further order from the Commission should AAWC fail to file with the Director of the Utilities Division, the Arizona Department of Environmental Quality approvals for construction of all wastewater facilities, within 365 days from the effective date of the Commission's Decision.

MEMORANDUM

TO: Jim Fisher
Executive Consultant II
Utilities Division

FROM: Barb Wells 
Information Technology Specialist
Utilities Division

THRU: Del Smith 
Engineering Supervisor
Utilities Division

DATE: October 29, 2002

RE: **ARIZONA AMERICAN WATER COMPANY (DOCKET NO. WS-01303A-02-0633)**

The area requested by Arizona American for transfer from the Sun City West District to the Agua Fria District and for an extension of it's water and sewer CC#N has been plotted with one minor complication: the written legal description for the water extension in Section 13, Township 4 North, Range 1 West, should read – the West (not East) half of the Southwest Quarter. Attached is a copy of the legal description submitted by the company showing the change penciled in. The company needs to make this minor change to the written legal description and file it with Docket Control as an amendment.

Attached are copies of the maps for your files.

:bsw

Attachments

cc: Docket Control
Mr. Blaine Akine
File

EXHIBIT A

Legal Description
Certificate of Convenience and Necessity
Arizona-American Water Company, Agua Fria District
Proposed Water Service Extension Area

Township 4 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona

All of Section 1;

All of Section 2;

The South half (S $\frac{1}{2}$) of Section 10;

All of Section 11;

All of Section 12;

→ The North half (N $\frac{1}{2}$) and the ^{West} East half (E $\frac{1}{2}$) of the Southwest Quarter (SW $\frac{1}{4}$) and the Northeast Quarter (NE $\frac{1}{4}$) of the Southeast Quarter (SE $\frac{1}{4}$) of Section 13;

All of Section 14;

The East half (E $\frac{1}{2}$) and the North half (N $\frac{1}{2}$) of the Northwest Quarter (NW $\frac{1}{4}$) of Section 15;

The South half (S $\frac{1}{2}$) of the Southwest Quarter (SW $\frac{1}{4}$) and the Northeast Quarter (NE $\frac{1}{4}$) of the Southwest Quarter (SW $\frac{1}{4}$) of Section 24;

The Northwest Quarter (NW $\frac{1}{4}$) of Section 25;

Township 4 North, Range 1 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona

All of Section 6 EXCEPT the East half (E $\frac{1}{2}$) of the East half (E $\frac{1}{2}$);

The West half (W $\frac{1}{2}$) of Section 7;

The West half (W $\frac{1}{2}$) of the West half (W $\frac{1}{2}$) of Section 18.

EXHIBIT B

Legal Description
Certificate of Convenience and Necessity
Arizona-American Water Company, Anthem/Agua Fria (DistCo) District
Proposed Wastewater Service Extension

Township 4 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona

All of Section 1;
All of Section 2;
The South half (S $\frac{1}{2}$) of Section 10;
All of Section 11;
All of Section 12;
All of Section 13;
All of Section 14;
The East half (E $\frac{1}{2}$) and the North half (N $\frac{1}{2}$) of the Northwest Quarter (NW $\frac{1}{4}$) of Section 15;
All of Section 24 EXCEPT the Southeast Quarter (SE $\frac{1}{4}$) of the Southeast Quarter (SE $\frac{1}{4}$) and
EXCEPT the Southeast Quarter (SE $\frac{1}{4}$) of the Northeast Quarter (NE $\frac{1}{4}$) of the Southeast
Quarter (SE $\frac{1}{4}$) and
EXCEPT the Southeast Quarter (SE $\frac{1}{4}$) of the Southwest Quarter (SW $\frac{1}{4}$) of the Southeast
Quarter (SE $\frac{1}{4}$);
The Northwest Quarter (NW $\frac{1}{4}$) of Section 25;

Township 4 North, Range 1 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona

All of Section 6 EXCEPT the East Half (E $\frac{1}{2}$) of the East Half (E $\frac{1}{2}$);
The West half (W $\frac{1}{2}$) of Section 7;
The West half (W $\frac{1}{2}$) of the West half (W $\frac{1}{2}$) of Section 18.

EXHIBIT C

Legal Description
Certificate of Convenience and Necessity
Arizona-American Water Company, Agua Fria District
Transfer Parcel from Sun City West Water Company

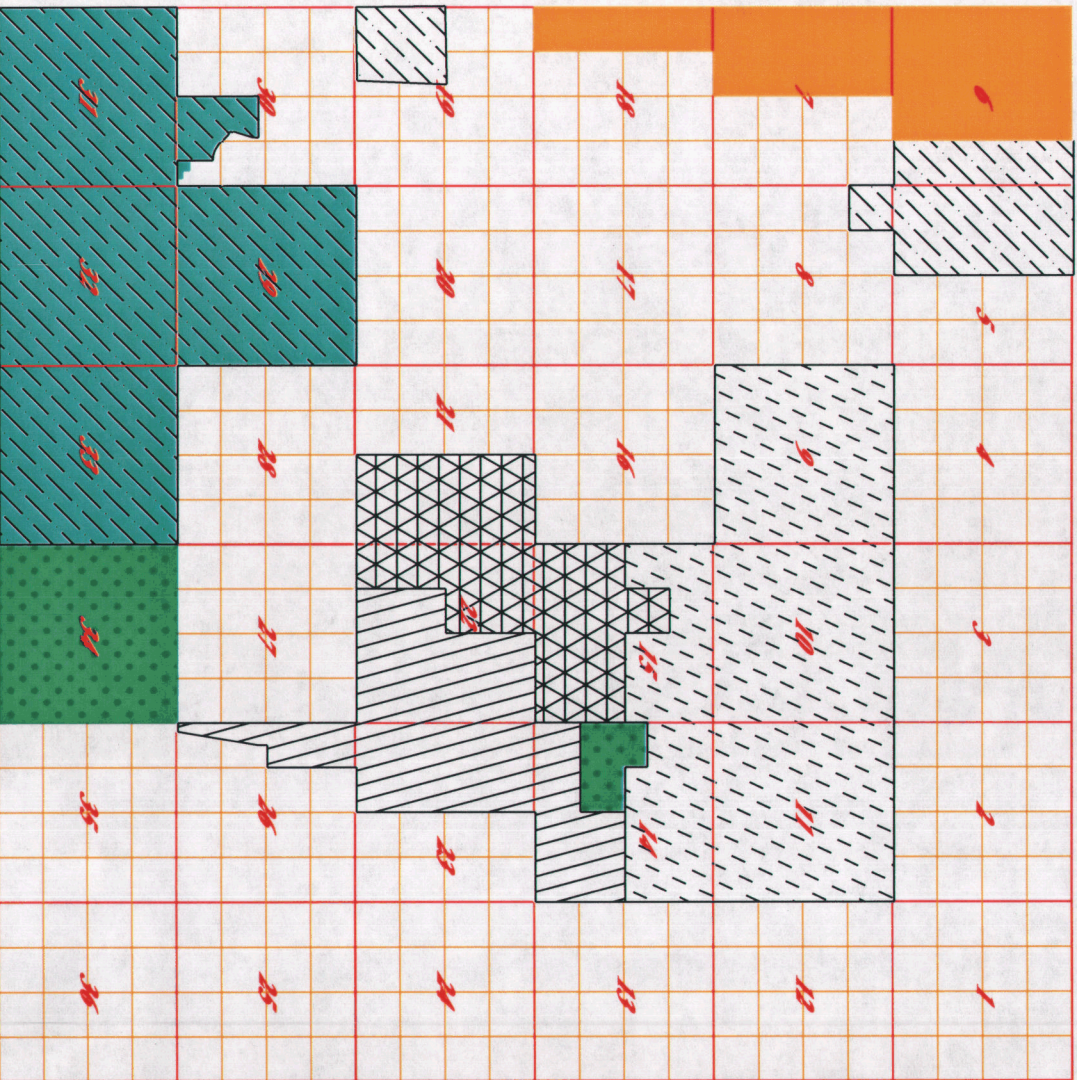
Township 4 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona

The East Half (E ½) of the Southwest Quarter (SW ¼) and all of the Southeast Quarter (SE ¼) of Section 13 EXCEPT the Northeast Quarter (NE ¼) of the Southeast Quarter (SE ¼);

The North Half (N ½) and the Northwest Quarter (NW ¼) of the Southwest Quarter (SW ¼) and all of the Southeast Quarter (SE ¼) of Section 24 EXCEPT the Southeast Quarter (SE ¼) of the Southeast Quarter (SE ¼) and
EXCEPT the Southeast Quarter (SE ¼) of the Northeast Quarter (NE ¼) of the Southeast Quarter (SE ¼) and
EXCEPT the Southeast Quarter (SE ¼) of the Southwest Quarter (SW ¼) of the Southeast Quarter (SE ¼).

COUNTY: Maricopa

RANGE 1 East



TOWNSHIP 4 North



WS-1303 (14)



Arizona-American Water Company



W-1737 (1)

New River Utility Company



W-1539 (1)

Rose Valley Water Company



W-2069 (1)

Sunrise Water Company, Inc.



C-0008 (3)



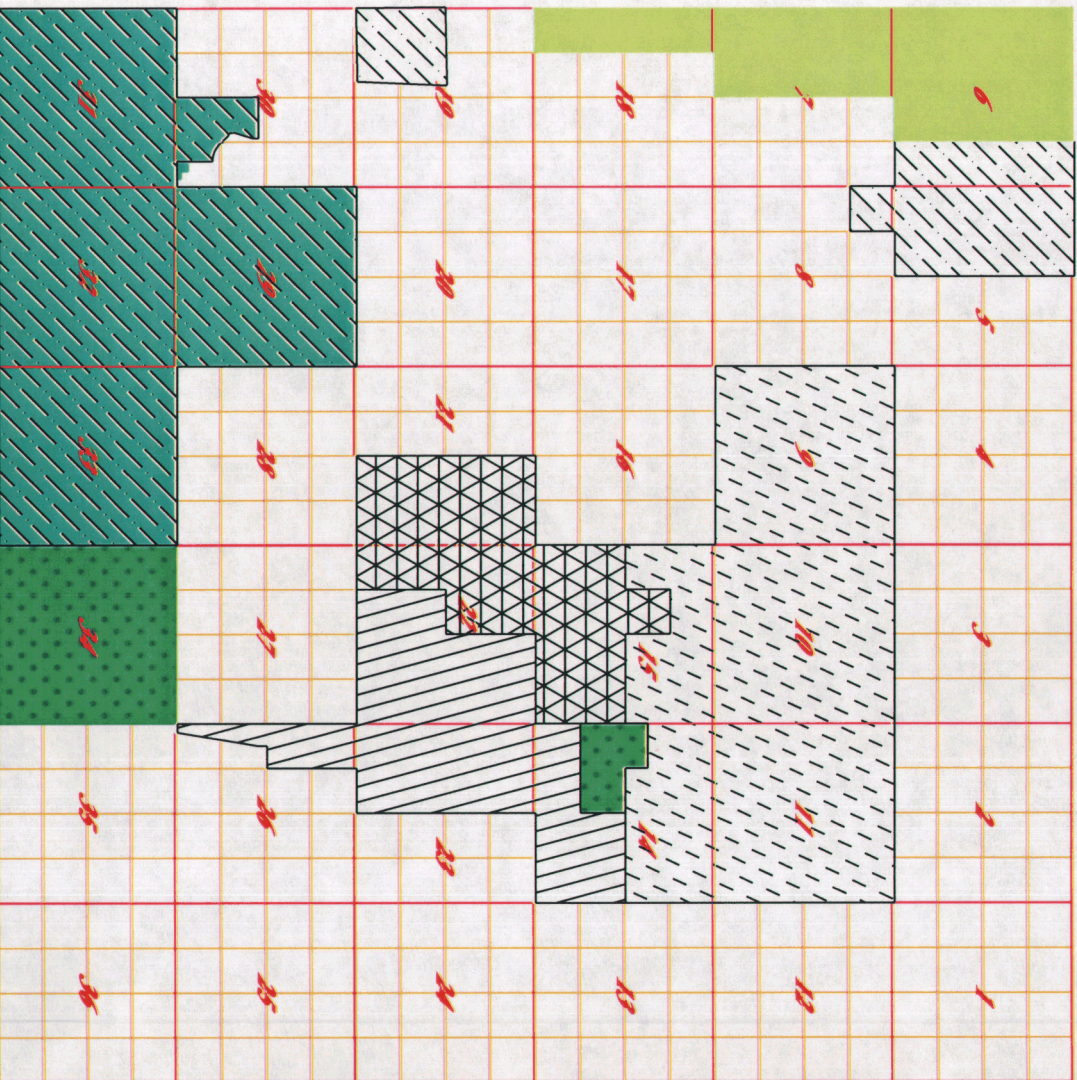
City of Peoria (Nonjurisdictional)



Arizona American Water Company (Docket No. WS-1303-02-633)
Application for Extension for Water

COUNTY: Maricopa

RANGE 1 East



TOWNSHIP 4 North



WS-1303 (14)

Arizona-American Water Company



W-1737 (1)

New River Utility Company



W-1539 (1)

Rose Valley Water Company



W-2069 (1)

Sunrise Water Company, Inc.

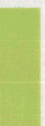


C-0008 (3)

City of Peoria (Nonjurisdictional)



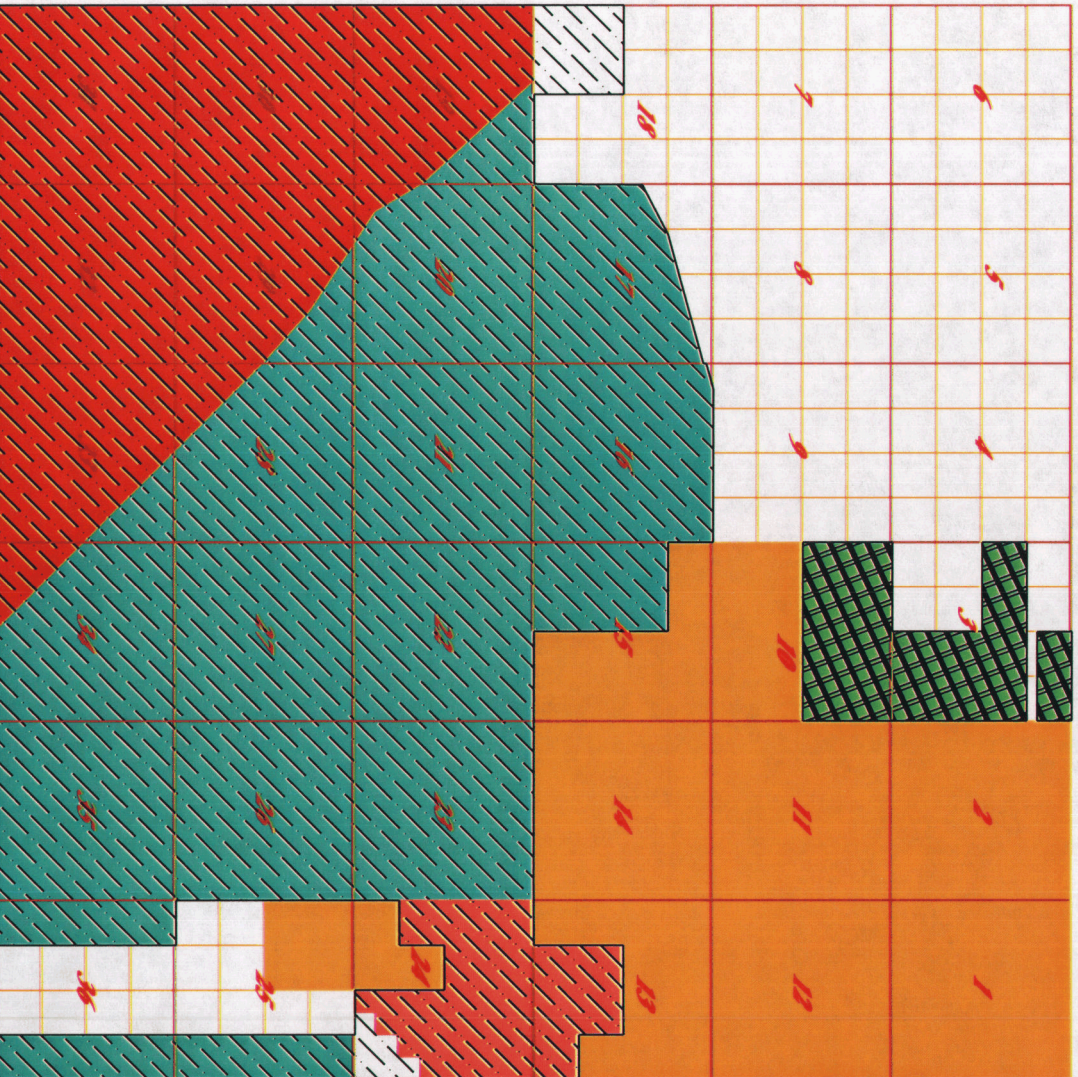
Sewer



Arizona American Water Company (Docket No. WS-1303-02-633)
Application for Extension for Sewer

COUNTY: Maricopa

RANGE 1 West



TOWNSHIP 4 North



WS-1303 (14)



Sewer

Arizona American Water Company (Agua Fria)



SW-3898 (1)

Rancho Cabrillo Sewer Company



W-3898 (1)

Rancho Cabrillo Water Company



(4)

City of Surprise (Nonjurisdictional)



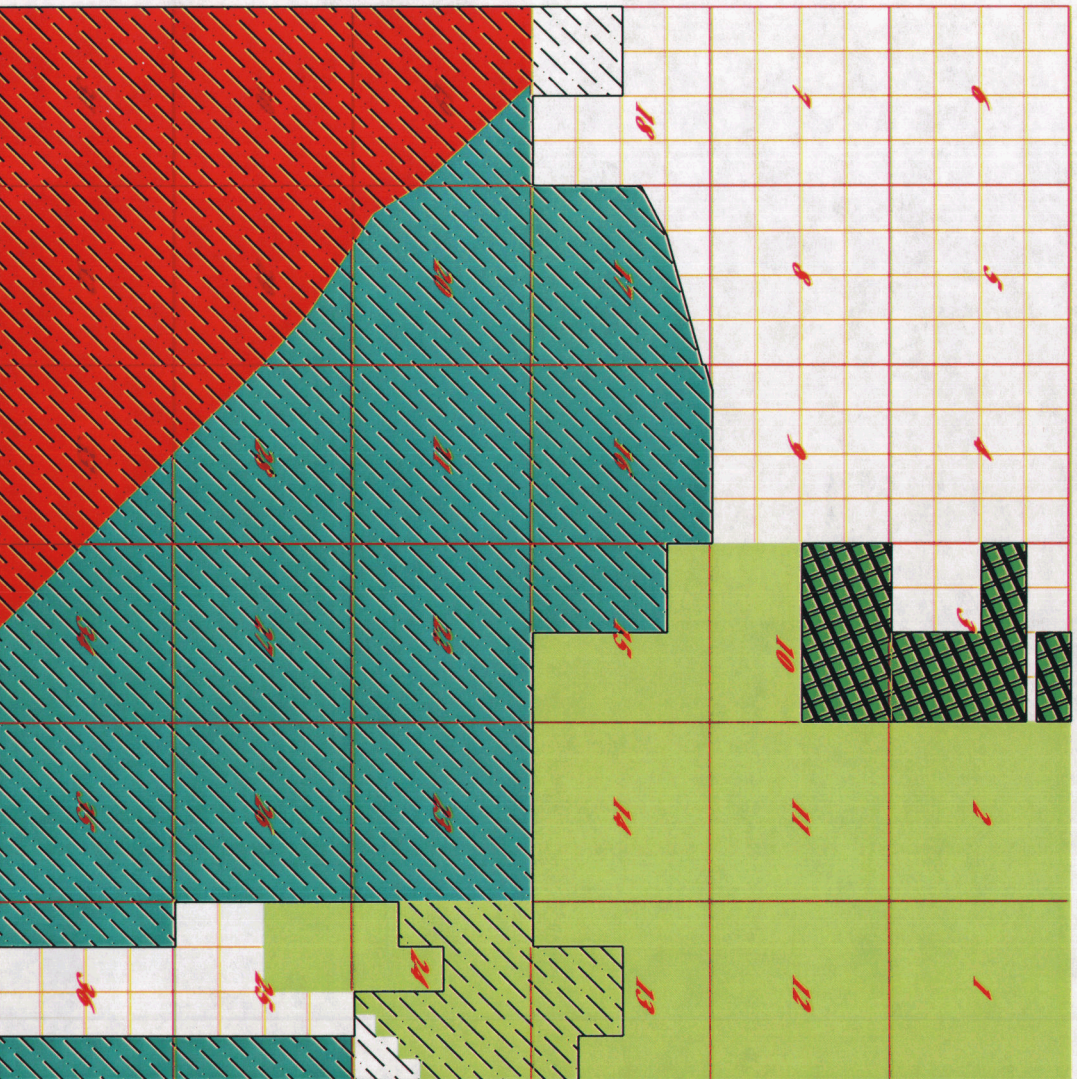
Arizona American Water Company (Docket No. WS-1303-02-633)
Application to Transfer from Sun City West District to Agua Fria



Arizona American Water Company (Docket No. WS-1303-02-633)
Application for Extension for Water

COUNTY: Maricopa

RANGE 1 West



TOWNSHIP 4 North



WS-1303 (14)



Arizona-American Water Company (Agua Fria)



SW-3898 (1)

Rancho Cabrillo Sewer Company



W-3898 (1)

Rancho Cabrillo Water Company



(4)

City of Surprise (Nonjurisdictional)



Arizona American Water Company (Docket No. WS-1303-02-633)
Application for Extension for Sewer